

# **SEARCHLIGHT FOIA REQUEST**

## **DOCUMENT NUMBER**

**4**

**(Releasable)**



**DEPARTMENT OF THE NAVY**  
NAVAL AIR WARFARE CENTER WEAPONS DIVISION  
1 ADMINISTRATION CIRCLE 575 1 AVENUE SUITE 1  
CHINA LAKE, CA 93556-6100 POINT MUGU, CA 93042-5049

IN REPLY REFER TO:

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Ser 400000D/3804  
October 18, 2013

Mr. Robert J. Charlebois  
Managing Director  
Duke Energy Corporation  
526 South Church Street  
Charlotte, NC 28202

Dear Mr. Charlebois:

SUBJECT: CURTAILMENT AGREEMENT FOR THE SEARCHLIGHT WIND ENERGY  
PROJECT IN SEARCHLIGHT NV BLM TRACKING NO N-084626

I would like to thank you for your continued commitment to negotiating an agreement that would allow Duke Energy Renewables the use of U.S. property in Nevada for a wind energy project without adversely impacting the ability of the Department of the Navy to conduct airborne radar testing at the Naval Air Warfare Center Weapons Division China Lake. I understand that everyone involved has a good understanding of the issues and all concerns are being negotiated in good faith.

As discussed previously and again during the September 5, 2013 meeting, the Duke Energy Renewables proposal for the Department of the Navy to conduct testing during low-level wind production and the expectation of the Department of the Navy executing testing based on day prior wind forecast is not suitable. As stated, the Department of the Navy requirement is 300 hours of curtailment in support of our airborne testing requirements and review of the historical wind data indicates that although there are hours in which the output is expected to be 5 MW or less, there are insufficient opportunities necessary to complete our testing. While we agreed in concept to conduct as much testing as feasible during the hours of low level wind production, the data you provided and amplifying discussion indicates that there is too much variability to allow testing to be completed at no cost to Duke Energy Renewables.

At the close of our last meeting, the Navy representatives agreed to take the following two actions: first, investigate the possibility of a reduction in the rental fee that Duke Energy Renewables would owe the U.S. under the development grant

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and, secondly, to produce a "clean copy" of the draft curtailment agreement. With regard to the rental fee, it appears to be possible for the fees to be reduced and the Bureau of Land Management appears willing to join us at our next meeting to explain further how this would work. Also, please find attached the latest Department of the Navy proposal. This agreement introduced risks to both the Navy and Duke Energy Renewables. By agreeing to limit both the amount of specific types of airborne radar testing to 300 hours annually - three percent of the total time in a year - and the hours to specific periods of time, the Department of the Navy will be agreeing to significantly limiting our capability to conduct airborne radar testing from China Lake. The Department of the Navy recognizes that Duke will lose the opportunity to generate revenue as a result of curtailment; however, it must also be recognized that the Duke Energy Renewables Searchlight project will significantly impede upon a critical test capability and the ability to conduct Research, Development, Test, and Evaluation operations.

We look forward to meeting again after you have had the opportunity to review the attached and provide any comments.

I look forward to continuing to partner on this important matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott M. O'Neil", is written over a horizontal line.

SCOTT M. O'NEIL

Executive Director

By direction of the Commander

Enclosure: Draft Agreement DOD/DON/DOAF/Duke of  
October 17, 2013

Copy to: Bureau of Land Management (Attn: Ray Brady)  
Executive Director, DOD Siting Clearinghouse